

SHIFTING TO E-COMMERCE: A BUSINESS MODEL BUILT TO DRIVE SALES

A designer duo looking to shift their business to an e-commerce model, applied modifications to their website, utilized online advertising, and prepared financial analysis reports to create investment interest in their business.

Client's Challenge— Smoothly transition to an e-commerce business model

- Current website format only appealed to returning customers as opposed to bringing in new patrons
- Required cash flow from investors to fulfill their ideal e-commerce archetype
- Need for professionally constructed financial statements to convey the client's ambition and accountability



IUCG's Solution— Construct an e-commerce framework

- Researched competitors websites in order to identify the minimum expectations for an e-tailor
- Utilized Facebook Ads and Google AdWords to enhance the client's understanding of its customer base
- Produced a basic income statement and balance sheet detailing the client's major financial operations over the past two years

Business Impact— Improved the client's business model shift

- Developed a baseline for which the client can build a pitch book for investors and begin to grow their e-commerce sales
- Inspired an initially slow transition to speed up and take action

"The work for my project this semester was exciting to me because it provided a real-world application for concepts and practices I learn about in classes. I definitely think this project has helped me enhance my knowledge on pitch books and my financial statement analysis capabilities."

- Josh Zeff, Student Analyst

Client's Challenge:

This semester IUCG partnered with a local designer of women's coats and jackets. For years, the designer duo traveled across the states to trade shows and craft fairs where they generated their sales. After years of travel, the duo was exhausted, however, their ambition to grow the company was stronger than ever. To fulfill this passion for growth they looked to e-commerce, where they hoped to drive a large portion of their sales. Their website proved to be successful for returning customers from the craft fairs and trade shows, but the advertising tactics they employed did not bring in new customers.

Cash to invest in a website, consultant and online marketing was very tight. Without investors to provide cash, the e-commerce shift would certainly fail. The client sought help on creating an e-commerce plan to pitch to investors that would provide the cash to finally expand the business. In addition, financial statements would have to be built in order to convey management's professionalism, ambition and accountability.

IUCG took this as an opportunity to provide professional market research and technical accounting skills for the hardworking duo.

IUCG's Solution:

At the onset, project management constructed an e-commerce framework that would break down small business e-commerce. From this, three classes of deliverables were created for the project – website modifications, online advertising

implementation and financial statement preparation.

The website modifications report looked outward to competitors, which would identify industry best practices. Trends across a thorough and diverse mix of companies were both analyzed and applied to the client's business. These adjustments would allow the website to meet customer's minimum expectations for an e-tailor.

On the advertisement side, two advertisement tools were studied: Facebook Ads and Google AdWords. It was clear from the beginning that both tools required a strong understanding of the customer base in order to maximize their utility. A customer survey that the team created enhanced the client's understanding of its customer base and provided the data that could be used for advertising.

Lastly, the team successfully produced both financial statements and supporting documentation to explain them. An income statement and basic balance sheet detailed the client's financials over two years, while a timeline of major operational events and a methodology report could provide background on financial operations.

Impact on client's business:

The three classes of deliverables that IUCG provided will improve the client's business model shift. Together, they are a baseline onto which the client can build a pitch book for investors and begin to grow e-commerce sales. Ultimately, IUCG inspired an initially slow and hesitant transition to speed up and take action.